

AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type: <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Government Name: <u>District Court Funds of District No. 39, City of Roseville,</u> <u>Michigan</u>	County Macomb
Audit Date June 30, 2004	Opinion Date November 1, 2004	Date Accountant Report Submitted To State: December 29, 2004	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations.

You must check the applicable box for each item below:

- | | |
|---|---|
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements. |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act. |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91] or P.A. 55 of 1982, as amended [MCL 38.1132]) |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit. |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95). |

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Reports on individual federal assistance programs (program audits).	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Single Audit Reports (ASLGU).	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Certified Public Accountant (Firm Name): Plante & Moran, PLLC			
Street Address 27400 Northwestern Highway	City Southfield	State MI	ZIP 48034
Accountant Signature <i>Plante & Moran, PLLC</i>			

**District Court Funds
of District No. 39
City of Roseville, Michigan**

**Financial Report
with Supplemental Information
June 30, 2004**

District Court Funds of District No. 39

City of Roseville, Michigan

Contents

Report Letter	I
Basic Financial Statement	
Balance Sheet	2
Notes to Balance Sheet	3
Supplemental Information	
Schedule of Cash Receipts and Disbursements	4

Independent Auditor's Report

To the District Judges of the 39th District
Roseville, Michigan

We have audited the accompanying balance sheet of the District Court Funds of District No. 39 (a component unit of the City of Roseville, Michigan) as of June 30, 2004. This financial statement is the responsibility of the management of the District Court Funds of District No. 39, City of Roseville, Michigan. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statement referred to above presents fairly, in all material respects, the financial position of the District Court Funds of District No. 39, City of Roseville, Michigan as of June 30, 2004, in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statement taken as a whole. The supplemental information, as listed in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statement. The supplemental information has been subjected to the procedures applied in the audit of the basic financial statement and, in our opinion, is fairly stated in all material respects in relation to the basic financial statement taken as a whole.

The accompanying financial statement does not present a management's discussion and analysis, which would be an analysis of the financial performance for the year. The Governmental Accounting Standards Board has determined that this analysis is necessary to supplement, although not required to be a part of, the basic financial statement.

Plante & Moran, PLLC

November 1, 2004

A member of



A worldwide association of independent accounting firms

District Court Funds of District No. 39

City of Roseville, Michigan

Balance Sheet
June 30, 2004

	District Control Unit Collections	Bond Account	Garnishment Account	Jury and Witness Fee Account
Assets - Cash and cash equivalents (Note 2)	<u>\$ -</u>	<u>\$ 114,701</u>	<u>\$ 22,148</u>	<u>\$ -</u>
Liabilities				
Returnable bonds	\$ -	\$ 113,386	\$ -	\$ -
Due to General Fund	-	1,315	2	-
Escrow deposits	-	-	22,146	-
Total liabilities	<u>\$ -</u>	<u>\$ 114,701</u>	<u>\$ 22,148</u>	<u>\$ -</u>

District Court Funds of District No. 39

City of Roseville, Michigan

Notes to Balance Sheet
June 30, 2004

Note 1 - Significant Accounting Policies

The accounting policies of the District Court Funds of District No. 39, City of Roseville, Michigan (the "District Court") conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The District Court is governed by two elected judges. There are no component units.

The following is a summary of the significant accounting policies used by the District Court Funds of District No. 39:

The funds of the District Court are Agency Funds. The financial activities of the funds are limited to fine and fee collections that are transferred to the District Control Unit (City of Roseville) when processed. The accumulation of those collections and the ultimate payment to the applicable agencies are the responsibility of the District Control Unit. The funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

The operations of the District Court are included as a separate activity in the General Fund of the City of Roseville.

The District Court is a component unit of the City of Roseville and is included in the general purpose financial statements of the City at June 30, 2004.

Note 2 - Cash and Cash Equivalents

The District Court's cash and cash equivalents at June 30, 2004 are comprised of deposits totaling \$136,849. The deposits were reflected in the accounts of the bank (without recognition of checks written but not yet cleared or of deposits in transit) at approximately \$143,700, all of which was covered by federal depository insurance.

The District Court believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the District Court evaluates each financial institution with which it deposits District Court funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Supplemental Information

District Court Funds of District No. 39

City of Roseville, Michigan

Schedule of Cash Receipts and Disbursements Year Ended June 30, 2004

	District Control Unit Collections	Bond Account	Garnishment Account	Jury and Witness Fee Account
Cash and Cash Equivalents - Beginning of year	\$ -	\$ 154,136	\$ 38,885	\$ -
Receipts				
Fines and fees	2,900,111	-	-	-
Bonds posted	-	644,805	-	-
Garnishments	-	-	16,293	-
Jury and witness fees	-	-	-	4,881
Interest income	-	1,053	-	-
Total receipts	2,900,111	645,858	16,293	4,881
Disbursements				
Transfers to District Control Unit	1,898,959	-	-	-
Transfers to District Control Unit for payment to:				
State of Michigan	659,522	-	-	-
Macomb County	49,213	-	-	-
Judges' Retirement System	7,222	-	-	-
Probation fees	20,406	-	-	-
Attorney fees	110,744	-	-	-
Refunds and miscellaneous	154,045	-	-	-
Bond refunds, forfeitures, and transfers	-	685,293	-	-
Garnishments	-	-	33,030	-
Jury and witness fees	-	-	-	4,881
Total disbursements	2,900,111	685,293	33,030	4,881
Cash and Cash Equivalents - End of year	\$ -	\$ 114,701	\$ 22,148	\$ -